

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6168
BILL NUMBER: SB 9

NOTE PREPARED: Mar 30, 2007
BILL AMENDED: Mar 29, 2007

SUBJECT: Fireworks Regulations.

FIRST AUTHOR: Sen. Heinold
FIRST SPONSOR: Rep. Moses

BILL STATUS: 2nd Reading - 2nd House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: (Amended) *Local Control of Fireworks:* This bill provides that counties and municipalities may adopt ordinances to regulate the time and location for the use, ignition, or discharge of fireworks. It provides that a fireworks use ordinance may not limit the use of fireworks on certain days during certain times of the day. The bill makes a conforming amendment.

Appropriation: The bill appropriates to the Department of Homeland Security (DHS) an amount equal to the amount of public safety fees collected on the sale of fireworks in Indiana for the following purposes: (1) 50% of the amount appropriated for grants to all volunteer fire departments; (2) 25% of the amount appropriated for public safety providers or advanced training programs; and (3) 25% of the amount appropriated to pay various costs related to disaster relief.

Effective Date: Upon passage.

Explanation of State Expenditures: (Revised) *Appropriation:* Retailers were required to begin collecting the Public Safety Fee in July 2006. Currently, revenue generated by the fee is deposited in the state General Fund. From July to October 2006, the fee generated \$2.2 M.

This bill continuously appropriates the amount of the public safety fee collected from the state General Fund to the DHS for the following purposes:

(1) On June 30 of each year, DHS must pay to each volunteer fire department 50% of the amount appropriated divided by the number of volunteer fire departments in Indiana. Indiana has around 850 volunteer fire departments. Based on revenue of \$2.2 M, each department would receive an estimated \$1,300

per year.

(2) DHS must use 25% of the amount appropriated, or around \$550,000, for public safety service providers or advanced training programs.

(3) DHS must use 25%, or around \$550,000, for the following purposes, at the discretion of the DHS executive director:

(A) For deposit in the State Disaster Relief Fund, which is used to pay for damage resulting from a disaster to certain public facilities.

(B) To defray the costs of response, recovery, or 25% of the costs paid by local jurisdictions for federal disaster relief.

Background: For FY 2006 and FY 2007, DHS received \$1.7 M for each year from the state General Fund and \$11.2 M for each year from the Fire and Building Services Fund.

IC 22-11-14-12 imposes a public safety fee on retail transactions of fireworks made in Indiana. A person who buys the fireworks is liable for the fee and must pay the fee to the retailer. The retailer collects the fee as an agent for the state and forwards the collections to the Department of Revenue. The fee is based on the gross retail income received by a retail merchant in a retail unitary transaction of fireworks and is imposed at the following rates.

Public Safety Fee Gross Retail Income from a Unitary Transaction	
Fee	Transaction Amount
\$ 0	less than \$ 0.10
\$ 0.01	at least \$ 0.10 but less than \$ 0.30
\$ 0.02	at least \$ 0.30 but less than \$ 0.50
\$ 0.03	at least \$ 0.50 but less than \$ 0.70
\$ 0.04	at least \$ 0.70 but less than \$ 0.90
\$ 0.05	at least \$ 0.90 but less than \$ 1.10
5%	more than \$1.10

Explanation of State Revenues:

Explanation of Local Expenditures: *Local Control of Fireworks:* Counties or municipalities that regulate the time and location for the use of fireworks could experience a decrease in expenditures for public safety and emergency medical services. The Indiana State Department of Health tracked fireworks injuries during 2003 and 2004. During that time, 454 injuries were reported statewide. The proposal could also reduce expenditures associated with local inspections and re-inspections of vendors and displays. Enforcement and inspection expenses would be minimal. The specific impact on local expenditures is indeterminable and would vary by location.

Explanation of Local Revenues:

State Agencies Affected: State Fire Marshal's Office.

Local Agencies Affected: Counties and municipalities.

Information Sources: State Department of Health; <http://www.ivfa.org/>.

Fiscal Analyst: Bernadette Bartlett, 317-232-9586.